REMARKS

Claim 15 has been cancelled. Claims 1, 16, and 19 have been amended to clarify the subject matter regarded as the invention. Claims 1-14 and 16-23 are pending.

The Examiner has rejected Claims 1-14 and 16-23 under 35 U.S.C. §103(a) as being unpatentable over U.S. Pub. No. 2001/0037281 to French in view of U.S. Pub. No. 2003/0004850 to Li. The rejection is respectfully traversed.

Neither French nor Li disclose "upon completion of bidding" for a "plurality of lots":

"determining a first optimal solution that includes an initial family of lot-supplier assignments;

iteratively reducing or increasing the number of suppliers in the family; and

generating at least a second optimal solution having the reduced or increased number of suppliers"

as recited in Claim 1. As such, Claim 1 is believed to be allowable. Claims 2-14 depend from Claim 1 and are believed to be allowable for the same reasons described above.

Independent Claims 16 and 19 also recite determining, upon completion of bidding, "a first optimal solution," "iteratively reducing or increasing the number of suppliers," and "generating at least a second optimal solution having the reduced or increased number of suppliers." Therefore, independent Claims 16 and 19 are believed to be allowable. Claims 17-18 depend from Claim 16 and Claims 20-23 depend from Claim 19, and are believed to be allowable for the same reasons described above.

The foregoing amendments are not to be taken as an admission of unpatentability of any of the claims prior to the amendments.

Reconsideration of the application and allowance of all claims are respectfully requested based on the preceding remarks. If at any time the Examiner believes that an interview would be helpful, please contact the undersigned.

Respectfully submitted,

Dated: 1/21/08

Rooyn Wagner

Registration No. 50,575

V 408-973-2596 F 408-973-2595

VAN PELT, YI & JAMES LLP 10050 N. Foothill Blvd., Suite 200 Cupertino, CA 95014